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Fresno, California

June 12, 2001

The City Council met in joint session with the Redevelopment Agency at the hour of 8:30 a.m. in the Council Chambers, City Hall, on the day above written.

Present:	Tom Boyajian	Councilmember (arrived shortly into the meeting)
	Brian Calhoun	Councilmember
	Brad Castillo	Councilmember
	Jerry Duncan	Councilmember
	Sal Quintero	Councilmember (arrived later in the meeting)
	Dan Ronquillo	Acting Council President
	Henry Perea	Council President

Dan Hobbs, City Manager
Dan Fitzpatrick, Agency Executive Director
Hilda Cantu Montoy, City Attorney
Rebecca Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

(8:30 A.M.) JOINT MEETING WITH THE REDEVELOPMENT AGENCY

APPROVE AGENCY MINUTES OF JUNE 5, 2001

On motion of Acting President Ronquillo, seconded by President Perea, duly carried, RESOLVED, the Agency minutes of June 5, 2001, approved as submitted.

ADOPT AGENCY CONSENT CALENDAR:

(“B”) APPROVE AND ENTER INTO A LICENSE AGREEMENT WITH THE GENERAL SERVICES ADMINISTRATION (U.S. FEDERAL GOVERNMENT), FOR THE CONTINUED USE OF CERTAIN PROPERTY BOUND BY TULARE, “O”, CAPITAL AND “P” STREETS, AS TEMPORARY PARKING FACILITIES IN CONNECTION WITH THE DEVELOPMENT OF THE PROPOSED FEDERAL COURTHOUSE (MARIPOSA REDEVELOPMENT PROJECT AREA) (AGENCY ACTION)

(“C”) APPROVE AN INDEMNITY AGREEMENT BETWEEN THE AGENCY, CITY AND CHICAGO TITLE COMPANY OF FRESNO COUNTY RELATIVE TO THE CONVEYANCE OF PROPERTY TITLE BOUND BY TULARE, “O”, CAPITAL AND “P” STREETS TO THE UNITED STATES OF AMERICA THROUGH THE GENERAL SERVICES ADMINISTRATION FOR THE DEVELOPMENT OF THE PROPOSED FEDERAL COURTHOUSE (MARIPOSA REDEVELOPMENT PROJECT AREA) (COUNCIL AND AGENCY ACTION)

On motion of President Perea, seconded by Acting President Ronquillo, duly carried, RESOLVED, the above entitled **AGENCY CONSENT CALENDAR** hereby adopted, by the following vote:

137-308

6/12/01

Ayes : Calhoun, Castillo, Perea, Ronquillo, Duncan

Noes : None
Absent : Boyajian, Quintero

TIME SCHEDULED AGENCY HEARING:

(“A”) HEARING ON REDEVELOPMENT AGENCY FY 2002 BUDGET

1. AGENCY RESOLUTION - ADOPTING THE AAR FOR THE FY 2002 REDEVELOPMENT AGENCY BUDGET (*CONSIDERED AGAIN LATER IN THE AFTERNOON*)

Chair Duncan announced the time had arrived to consider the issue and opened the hearing.

Agency Director Fitzpatrick advised all items included in the budget were an outgrowth of policy directives and directions given to staff over the past 4-5 years to the present, and gave an overview of the Agency’s proposed FY 02 budget as submitted.

Chair Duncan noted Councilmember Quintero had requested the opportunity to present questions and advised after completion of discussions the hearing would be continued to 1:30 p.m. for his presence.

Acting President Ronquillo stated the fruit of a lot of past Council/Agency efforts had come to fruition and a lot of great things were happening and elaborated, commended staff for their work and efforts, commented on the need for tax increment, stated one thing he was uncomfortable with was the health and pension expenses and explained, and requested the budget be adopted with the following conditions: (1) no Agency funds will be paid or used for past or future employee shares of PERS until exact expenses are brought back to the Agency, (2) require Council/Agency approval of any payments for employee health plans including medical, dental and vision in excess of the City’s current benchmark, and (3) staff provide the Agency/Council with full disclosures on health and pension plans. Upon question of President Perea, Mr. Fitzpatrick and City Attorney Montoy spoke to and/or clarified issues relative to the pension and health systems, and Mr. Fitzpatrick requested staff be allowed to work the City’s administration on the possibility of including the four Agency employees in the City’s health system.

Discussion ensued with Mr. Fitzpatrick responding to questions, comments and/or concerns of President Perea and Councilmembers Calhoun and Castillo relative to funds budgeted for PERS membership and retroactivity, if a roster of current employees and salaries was included in the budget, breakdown of administration and management employees, contract employees, how consultant fees were charged, if it made sense to move any public works projects currently going through the budget process into the Agency, housing set-aside funds and projects, concern with the Agency’s debt service and number of projects, ID charges, separating travel and training, the Fresno Revitalization Corp., any areas of concern that should be brought to the Agency’s attention, if health and pension costs were included in the resolution, and the need to show airport debt.

The hearing was continued to 1:30 p.m and the joint bodies recessed at the hour of 9:08 a.m.

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The City Council convened in regular session at the hour of 9:09 a.m.

and the family of Anthony Arroyo led the Pledge of Allegiance to the Flag.

PROCLAMATION OF ANTHONY ARIC ARROYO DAY - COUNCILMEMBER CASTILLO (2 - 0)

PROCLAMATION OF “JUNETEENTH DAY”

PROCLAMATION OF JOSE ESTRADA DAY - ACTING PRESIDENT RONQUILLO

PROCLAMATION OF “SCLERODERMA AWARENESS MONTH - MAYOR AUTRY AND COUNCILMEMBER DUNCAN

CERTIFICATES OF RECOGNITION TO JUNIOR MISS CONTESTANTS - COUNCILMEMBER BOYAJIAN

The above proclamations and certificates were read and presented.

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APPROVE MINUTES OF JUNE 5, 2001

Upon the request of Councilmember Calhoun, City Clerk Klisch read a revised motion relative to the 9:50 a.m. item contained on Page 137-294.

On motion of Acting President Ronquillo, seconded by Councilmember Castillo, duly carried, RESOLVED, the minutes of June 5, 2001, approved, *as amended*, on Page 137-294, revising the motion of Item 9:50 a.m. to read: “..the City Manager requested to direct staff to conduct a study to determine revenue impacts on the Development Department to extend the boundary outward looking at all sides comprehensively, not just from West Avenue to Hughes Avenue, and return in three weeks with the findings, ...”.

Councilmember Quintero arrived at 9:45 a.m.

Councilmember Calhoun noted at the last council meeting one individual spoke nine times with President Perea stating he shared the concern and advised the City Attorney at some time she would be asked to address the issue.

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APPROVE AGENDA:

REOPENING OF THE CALWA PARK POOL - COUNCILMEMBER QUINTERO

Councilmember Quintero thanked Council for their financial assistance and HNR Manager Bowness for her efforts, and Acting President Ronquillo, and later Councilmember Boyajian, commended Councilmember Quintero for his leadership on the issue.

MAINTENANCE OF LANDSCAPING AND STREETS OF RECENTLY ANNEXED SUBDIVISIONS

Removed from the agenda at the direction of staff.

(9:45 A.M.) APPEARANCE BY JOE TERAN TO DISCUSS A LETTER RECEIVED FROM THE CITY REGARDING THE FILING OF A CITY BUSINESS TAX APPLICATION

Laid over one week at the request of Mr. Teran.

On motion of Councilmember Calhoun, seconded by Acting President Ronquillo, duly carried, RESOLVED, the **AGENDA** hereby approved, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	None

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ADOPT CONSENT CALENDAR:

(1A-2) APPROVE AGREEMENT WITH THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT LIGHT-DUTY AND MEDIUM-DUTY INCENTIVE PROGRAM TO RECEIVE \$2,000 THAT WOULD BE USED TO MITIGATE THE COST OF A NEW HYBRID ELECTRIC 2001 TOYOTA PRIUS VEHICLE

(1A-3) AWARD A CONTRACT FOR THE BASE BID AND ADD-ALTERNATE 1 (PVC PIPE) AS THE LOWEST COMBINATION OF THE BASE BD AND EITHER ADD-ALTERNATE, TO SCHEIDT, HAYDON & HALL, INC. IN THE AMOUNT OF \$49,330 FOR THE CONSTRUCTION OF A 12" WATER MAIN IN N. MAROA AVENUE FORM W. BROWNING TO W. BULLARD AVENUE

(1A-4) APPROVE THE ACQUISITION OF A STREET EASEMENT FROM PROPERTY LOCATED AT 6749 N. VAGEDES FOR THE PRICE OF \$3,000 FOR WIDENING OF HERNDON AVENUE FROM PALM TO WEST AVENUES, AND AUTHORIZE THE PUBLIC WORKS DIRECTOR TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE PURCHASE THROUGH ESCROW

(1A-6) DETERMINING THAT QUIRING PRESSURE WASHING AND CALIFORNIA INDUSTRIAL SERVICES ARE NON-RESPONSIVE TO THE SPECIFICATIONS; THE BID FROM FLEET MOBIL WASH HEREBY REJECTED BECAUSE IT SUBSTANTIALLY EXCEEDS THE FUNDS AVAILABLE FOR THIS PROJECT; AND STAFF DIRECTED TO REVISE THE SPECIFICATIONS AND REBID THE PROJECT WITH A PRE-QUALIFICATION PROCESS

(1A-7) AWARD A CONTRACT TO CAL-INC. IN THE AMOUNT OF \$45,785.86 FOR UNDERGROUND STORAGE TANK REMOVAL AT VARIOUS FIRE STATIONS

(1A-8) RESOLUTION NO. 01-185 - AUTHORIZING THE PURCHASE OF TWO (2) K90 TALISMAN THERMAL IMAGING SYSTEMS FROM ISG THERMAL IMAGING SYSTEMS USA, INC., WITHOUT ADVERTISED COMPETITIVE BIDDING FOR USE BY THE FIRE DEPARTMENT

DISTRICT 4'S GENERAL FUND INFRASTRUCTURE BUDGET TO FUND \$600 FOR A GOLF CART FOR THE CARY LITTLE LEAGUE AND \$1,000 TO LOWER A TEACHER'S PARKING LOT FENCE IN THE FRESNO UNIFIED SCHOOL DISTRICT - COUNCILMEMBER CASTILLO

(1A-12) RESOLUTION NO. 01-187 - 155TH AMENDMENT TO AAR 00-183 APPROPRIATING \$2,000 OF DISTRICT 7'S GENERAL FUND INFRASTRUCTURE BUDGET TO FUND \$1,000 TO THE FRESNO COUNTY SCHOOL DISTRICT AND \$1,000 TO FUND THE B'NAI BRITH STUDENT ATHLETE AWARD SCHOLARSHIP - PRESIDENT PEREA

On motion of Acting President Ronquillo, seconded by Councilmember Quintero, duly carried, RESOLVED, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	None

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(2A) CONSIDER SITE PLAN REVIEW APPLICATION NO. S-01-078 AND ENVIRONMENTAL FINDINGS FILED BY ROBERT MOFFETT, PROPERTY LOCATED ON THE SOUTH SIDE OF W. SHAW BETWEEN N. VALENTINE AND N. MARKS AVENUES

1. CONSIDER AND ADOPT THE CATEGORICAL EXEMPTION FOR E.A. NO. S-01-078, DATED MAY 15, 2001

2. RESOLUTION NO. 01-188 - APPROVING SITE PLAN REVIEW APPLICATION NO. S-01-078

Development Director Yovino gave a brief overview of the issue as contained in the staff report as submitted, recommended approval subject to the conditions outlined, and responded to questions of Councilmember Calhoun and/or clarified comments relative to definition of outdoor displays, how to determine what was and was not allowed, how this was not contributing to blight, if staff was comfortable with the current ordinance, if businesses were treated fairly, and if this issue needed to be addressed further. Acting President Ronquillo briefly left the meeting at 9:59 a.m.

Mr. Yovino and City Attorney Montoy responded to questions and/or comments of Councilmember Boyajian relative to the outdoor display issue surfacing during the sign ordinance review, people in some areas feeling they were being treated unfairly, and lack of consistency. Mr. Yovino stated he would prepare an informational package explaining the rules and what staff was currently doing.

On motion Councilmember Calhoun, seconded by President Perea, duly carried, RESOLVED, the Categorical Exemption for Site Plan Review Application No. S-01-078 hereby approved; and the above entitled Resolution No. 01-188 approved, subject to the Special Conditions of Approval contained in the staff report, by the following vote:

Ayes	:	Calhoun, Castillo, Duncan, Perea
Noes	:	Boyajian, Quintero
Absent	:	Ronquillo

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(3B) * RESOLUTION NO. 01-189 - 156TH AMENDMENT TO AAR 00-183 APPROPRIATING \$126,000 FOR NEEDED STREET MATERIAL AND EQUIPMENT

M.A. Chapa gave a brief overview of the staff report as submitted, and a motion and second was made to approve staff's recommendation **(3 - 0)**. Acting President Ronquillo returned to the meeting at 10:06 a.m. Councilmembers Calhoun, Duncan and Ronquillo commented on the issue and commended staff for their creativity and efforts.

On motion of Councilmember Duncan, seconded by Councilmember Calhoun, duly carried, RESOLVED, the above entitled Resolution No. 01-189 hereby adopted, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	None

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(3A) * BILL NO. B-55 - ADDING SUBSECTION (d) TO SECTION 8-309 EXCEPTING FROM THE CITY'S NOISE REGULATIONS CONSTRUCTION, REPAIR OR REMODELING WORK DURING THE HOURS OF 6:00 A.M. TO 7:00 A.M. FROM ORDINANCE EFFECTIVE DATE THROUGH SEPTEMBER 30, 2001 - PRESIDENT PEREA

President Perea reviewed the background of the issue and changes made, and made a motion to adopt the ordinance which seconded and later acted upon.

Discussion ensued. Councilmember Duncan noted incorrect information was reported by some of the news media after last week's action and advised unintentional misinformation from the Police Department resulted in construction crews beginning work at St. Agnes Hospital at 6 am last Wednesday, stated a lot of calls were received and a lot of people were affected, and advised although the idea was a good one conceptually he felt it would create more problems that it would solve. Councilmember Calhoun reiterated his opposition stating he saw the issues of separating residential from commercial and even earlier violations as major problems, and stated he did not see this as an energy issue. Acting President Ronquillo stated this was a good example of democracy in the making, noted the experiment was short-lived and stated maybe it was not such a good idea after all, and advised he would be sensitive to residents' concerns and would not support the motion. Councilmember Boyajian commented on mixed-use developments and quiet neighborhoods and stated people did not want noise early in the morning. Councilmember Castillo stated he was disappointed the ordinance was not given an appropriate amount of time to allow the community to voice their opinions for or against. President Perea stated although he heard Council's comments loud and clear he really believed times were different and felt this was energy related and deserved a vote. Councilmember Duncan responded to questions of Acting President Ronquillo relative to calls received, and Acting President Ronquillo commented additionally stating maybe next year the ordinance could be reintroduced with staff input and parameters placed on the distance factor.

A motion of President Perea, seconded by Councilmember Castillo, to adopt the above entitled Ordinance Bill No. B-55 failed, by the following vote:

Ayes	:	Perea
Noes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo
Absent	:	None

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(5A) DISCUSSION ON THE SELECTION PROCESS FOR THE NEW CHIEF OF POLICE - COUNCILMEMBER CALHOUN

Councilmember Calhoun reviewed the issue stating he strongly felt a national search was needed and clarified this had nothing to do with the potential outstanding candidates within the police force, responded to Councilmember Duncan's inquiry relative to the Charter process for selection of the Police Chief, acknowledged this was strictly the Mayor's decision but stated Council could comment on the process, and requested the Mayor reconsider the internal selection process and requested Council's input.

Extensive discussion ensued. City Manager Hobbs stated he understood Councilmember Calhoun's point, noted this was a matter of judgment and stated an assessment was made and it was felt there was talent within the department, and gave an overview of the process and spoke to the caliber of people who would sit in on the interview panels. Councilmember Castillo spoke in support of a nation-wide search stating there was nothing to fear and the search would bring forth the best candidates. Mr. Hobbs responded to questions of Councilmember Calhoun relative to number of candidates on the list, the salary, how the salary would impact the pool of candidates, if Council was consulted before the Mayor made the decision to look in-house, and if Council input should not be requested in this type of matter. Councilmember Calhoun stated he was very disappointed with the process and stated if the next chief was selected from within it would never be known if the City got the best of the best in public safety. Mr. Hobbs stated that was not a fair statement and explained.

Councilmember Castillo stated the \$91 million dollar police budget was taxpayer money and direction should be taken from them, stated out of courtesy Council input should have been requested, and stated it seemed like the administration did not care what Council thought noting their input was not requested for the EDC director either. Councilmember Duncan noted Chief Winchester came from within the department and he felt it was prudent to always look within there first adding it was good for the morale, and stated he respected the clearly stated process process in the Charter. Acting President Ronquillo commented on the problems with the police bunker and property room and relative to in-house selection stated the City Manager needed to conduct an investigation into the areas of concern, look into the chain of command and identify names, and factor in any relationships with candidates. Councilmember Boyajian stated Council was frustrated at times not having the input they feel they should have, stated he did not want to undermine the powers of the city manager and mayor but stressed Council had concerns with the serious problems in the department, and stated he felt criteria was needed along with a police chief who would meet that criteria and stated the purpose of the issue was possibly a way for Council to request a little input as representatives of the city.

(4 - 0) President Perea stated he was supportive of a nation-wide search at the outset but he also understood and respected the fact that the city manager had the sole authority and responsibility to select department heads, noted it was Council's job to hold the city manager and mayor accountable and he believed that was an appropriate check and balance, expressed his appreciation for being invited to be part of the selection process, and stated on the panel he would be looking at candidate's strategies to fix internal problems and externally would be asking for policing philosophies as he wanted to see more police presence in neighborhoods and an increase in response times.

Councilmember Castillo suggested funding authorization be given in advance should a decision be made to conduct a nation-wide search, and upon recommendation of the city attorney, directed staff to schedule that matter on the agenda in one week.

On motion of Councilmember Calhoun, seconded by Councilmember Castillo, duly carried, RESOLVED, it is the sense of the Council that the City Manager conduct a nation-wide search for the new Chief of Police, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Quintero, Ronquillo
Noes	:	Duncan, Perea
Absent	:	None

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(10:00 A.M.) PRESENTATION BY SUSAN BONNEY OF PUBLIC TECHNOLOGY, INC.

City Manager Hobbs stated he invited PTI to make a presentation to determine if this represented an opportunity to find ways to work faster, better and cheaper through technology, noted he's had a relationship with PTI for 25+ years and he wanted Council to hear from them firsthand, and advised if this was something Council wanted it could be placed on the budget motion list or staff could be directed to locate funding.

Ms. Bonney gave a lengthy power point presentation on who and what PTI was and what PTI could do for the City of Fresno. Mr. Hobbs stated if Council wanted to look into this it could be tried for one year and added the potential was it could help Fresno to be on the leading edge.

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(10:30 A.M.) CONTESTED CONSENT CALENDAR ITEMS:

(1A-1) * RESOLUTION - 151ST AMENDMENT TO AAR 00-183 APPROPRIATING \$312,900 THAT REMAINED UNENCUMBERED IN FY 2000 INTO THE CURRENT BUDGET TO PROVIDE FUNDS FOR THE FIELD AUTOMATION PROGRAM

Chief Winchester responded to questions of Councilmember Calhoun relative to why FY 2000 funds and related issues were not being taken care of in a timely fashion and whether this was normal routine. A motion and second was made to adopt the resolution.

Discussion ensued with Capt. Rhames, Chief Winchester, Assistant Chief Dyer and Budget Manager Bruney responding to questions of Councilmember Castillo and/or clarifying issues relative to reason for the funds not being appropriated, when the work would be completed (**5 - 0**), consequence if the resolution were not approved, if additional funding would be needed in the future, lack of explanation in the staff report, matching funds, lots of unanswered questions, and why the matter was being brought forth at the 11th hour.

Councilmember Calhoun stated there was too much that bothered him and withdrew his motion. Upon the recommendation of the city manager and with Council consensus, the matter was laid over one week.

(1A-9) * RESOLUTION NO. 01-190 - 146TH AMENDMENT TO AAR 00-183 TRANSFERRING \$170L000 FROM CONTINGENCY TO EXPENSE ACCOUNTS TO PAY FOR GRANT FUNDED FLEET DEPRECIATION AND FLEET SERVICES EXPENDITURES

Chief Winchester, Assistant Chief Dyer and Budget Manager Bruney responded to questions/comments of Councilmember Calhoun and/or clarified issues relative to request to utilize contingency funds, intended use when funds were applied for, if fleet services was an appropriate use of the grant funds, amount of grant funds, definition of contingency, why funds could not be identified as “match funds” and place them in another fund, other than the contingency fund, if the \$170,000 in contingency would be used solely for fleet depreciation, and if any CDBG funds were being used.

On motion of Councilmember Calhoun, seconded by Acting President Ronquillo, duly carried, RESOLVED, the above entitled Resolution No. 01-190 hereby adopted, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	None

(1A-11) * RESOLUTION NO. 01-191 - 147TH AMENDMENT TO AAR 00-183 APPROPRIATING \$50,000 TO REFLECT REIMBURSEMENT FROM THE FRESNO UNIFIED SCHOOL DISTRICT FOR POLICE DISTRICT SERVICES

Chief Winchester responded to questions of Councilmember Calhoun relative to what police services were being provided, if the City was getting a fair return on their investment, how the \$50,000 amount to help defray costs was determined, and the current agreement with the school district. A motion and second was made to adopt the resolution.

Additional discussion ensued with Chief Winchester responding to questions of Councilmembers Duncan and Castillo relative to whether the annual \$1.33 million cost came from the general fund, partnering with the district for needed services, if daytime crime increased after the truancy ordinance “went away”, the district having their own police such as Clovis Unified, when the program was implemented, other services provided besides DARE, what led to officers on campuses, overtime costs, amount Fresno County Probation is reimbursed, and utilizing officers in a broader sense in school areas. Acting President Ronquillo spoke in support of the issue and providing a safe environment and stated the money was well spent.

On motion of Councilmember Duncan, seconded by Acting President Ronquillo, duly carried, RESOLVED, the above entitled Resolution No. 01-191 hereby adopted, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	None

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- (11:00 A.M.) CLOSED SESSION:**
(B) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - CASE NAMES:
1. RUTH ANN RICO, ET AL. V. CITY OF FRESNO
2. CITY OF FRESNO V. CIVIC CENTER SQUARE, INC., GLENDALE FEDERAL BANK (CAL FED BANK)

Removed from the agenda at the direction of the City Attorney.

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LUNCH RECESS - 12:22 P.M. - 1:35 P.M.

(“A”) CONTINUED HEARING ON THE REDEVELOPMENT AGENCY FY 2002 BUDGET
1. AGENCY RESOLUTION - ADOPTING THE AAR FOR THE FY 2002 REDEVELOPMENT AGENCY BUDGET (CONTINUED FROM THE MORNING SESSION)

Chair Duncan announced the time had arrived to consider the issue and reopened the hearing.

Councilmember Quintero stated he was finding the numbers did not “jive” and presented questions relative to HNR and RDA carryover funds, the 6/12/01 memo referring to a decrease in carryover **(6 - 0)**, if the recommended budget’s numbers were truer than the 6/12 memo, FY 01's \$4.1 million carryover, the budget presented showing money to be spent on four areas and the Housing Authority contract calling for money to be spent in six areas, and how the proposed increase would be divided among the six areas, with Director Fitzpatrick and two unidentified RDA representatives responding and clarifying issues. Councilmember Quintero stated he wanted an additional week to re-familiarize himself with memos received and made a motion to continue the hearing.

On motion of Councilmember Quintero, seconded by Councilmember Castillo, duly carried, **RESOLVED**, the hearing on the FY 2002 Redevelopment Agency budget continued to June 19, 2001, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Perea, Quintero, Ronquillo, Duncan
Noes	:	None
Absent	:	None

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The joint meeting was adjourned at 1:51 p.m.

(11:00 A.M.) CLOSED SESSION:

- (A) CONFERENCE WITH LABOR NEGOTIATOR - GOVERNMENT CODE SECTION 54957.6 - EMPLOYEE ORGANIZATIONS:**
- 1. INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY ENGINEERS LOCAL 39 (LOCAL 39)
 - 2. FRESNO CITY EMPLOYEES ASSOCIATION (FCEA)
 - 3. FRESNO POLICE OFFICERS ASSOCIATION, NON SUPERVISORY POLICE (FPOA)
 - 4. INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 753 NON-MANAGEMENT FIRE (IAFF)
 - 5. AMALGAMATED TRANSIT UNION, LOCAL 1027 (ATU)
 - 6. INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 100 (IBEW)
 - 7. FRESNO POLICE OFFICERS ASSOCIATION, POLICE MANAGEMENT (FPOA)
 - 8. INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 753 FIRE MANAGEMENT (IAFF)
 - 9. FRESNO AIRPORT PEACE OFFICERS/FIREFIGHTERS, (FAPOFA)
 - 10. CITY OF FRESNO PROFESSIONAL EMPLOYEES ASSOCIATION (CFPEA)
 - 11. CITY OF FRESNO MANAGEMENT EMPLOYEES ASSOCIATION (CFMEA)

The Council met in closed session in Room 2125 at the hour of 1:55 p.m. to consider the above issues and reconvened in regular open session at 2:37 p.m.

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(2:00 P.M.) CONTINUED HEARING ON CITY OF FRESNO FY 2002 BUDGET

Relative to financial challenges being faced by Council, Councilmember Calhoun read a statement into the record relative a recent Fresno Bee editorial on the financial problems and the Council's personnel authority over the selection of the City Controller noting a national search would be conducted, a copy of which statement is on file in the office of the City Clerk.

President Perea stating he was getting a sense from some Councilmembers and the public that more time would be needed to deliberate with the ultimate goal long-term of adopting a budget that would set the stage for sound fiscal health; read a statement into the record relative to the proposed budget, a copy of which is on file in the office of the City Clerk; noted as Council has tried to work through and approve a budget with the Mayor they continue to be surprised by financial issues that have been building up over the past couple of years requiring them to rethink or reevaluate their position on maintaining the long-term fiscal solvency of the City; emphasized a commitment was needed from the financial management team to place on the table every issue that might have created the budget situation; advised Council was directing the City Attorney to prepare a resolution that would enable them to meet their goal of adopting a more fiscally prudent budget while continuing budget deliberations; advised of two options to adopt a budget, "A" and "B", with a modification to include the Public Works Capital Budget as presented and move \$1 million into the public works department for neighborhood improvements (\$500,000 each from FAX Measure "C" funds and HNR Department); advised the motion list needed to be worked through and addressed; and continued reading his statement which outlined the following issues: (1) Council's concerns with the estimated revenues and actual need for proposed revenues, (2) considering the creation of a "Council Fiscal Responsibility Committee", and (3) expressing the intent to begin a Financial Management and Responsibilities Process and explained.

Lengthy discussion ensued. Acting President Ronquillo stated he had confidence in the financial condition of the City and the projected revenues and stressed it was important that Council not pass a budget and find shortfalls within a year. President Perea, City Attorney Montoy and Budget Manager Bruney responded to questions/comments of Councilmember Quintero and/or clarified issues relative to the ability to continue to make new motions, Council adopting a budget by June 30th and still having opportunities to change it throughout the year with AAR amendments, the Budget Committee's proposed options, and number of amendments made to the AAR to date.

Councilmember Boyajian clarified the purpose of the independent audit was to help Council with this budget and stressed it would be irresponsible to do anything except the basics without reviewing the Macias report first adding it would behoove Council to wait for the report and recommendations. Councilmember Duncan expressed concerns relative to using the previous administration's agenda after June 30th if a budget was not adopted by that time and that there was no ending date for continued deliberations, questioned when the Budget Committee was going to be comfortable with the numbers, and stated Council needed to find a way to implement 80% of the things supported and place the areas of uncertainty aside.

City Manager Hobbs concurred there were problems but asked that Council not overreact; stated Council needed to go into a mode of year-round budgeting; commented on and reiterated suggestions to improve the financial management; recommended Council commit to mid-year budget reviews and to the creation of an ongoing Mayor/Budget Committee to raise questions when issues arise and to get collaboration going on an ongoing basis; and gave a third option to adopt the budget, with President Perea responding **(7 - 0)**.

Councilmember Castillo commented on the difficulty of understanding how the budget process worked and how Council had very low confidence with the numbers noting departments were told to make a 1.5% cut yet the proposed FY 02 budget was \$156 million larger than last years; spoke in support of Option “B”; and commented on the surprises that continue to come up and requested the city manager ask the budget office, auditors and controllers to “come clean” with any information adding he would not be opposed to subpoenaing anyone in the past who was authorized to write checks and make decisions or who withheld information.

PRESENTATION AND DISCUSSION OF MAYOR’S PROPOSED FILM COMMISSION:

Deputy Mayor Montero read a statement into the record relative to (1) the City’s relationship with, and expectations of, the Convention and Visitor’s Bureau (CVB) and the Mayor’s recommendation to comprise a team to establish and communicate to the CVB the City’s goals and objectives as a compliment to their efforts and to effect maximize benefit to the City, and (2) the Mayor’s proposed film commission, and requested Council support Councilmember Duncan’s motions relative to both the CVB and film commission.

Upon call, no one wished to be heard and there was no further discussion.

Upon question of President Perea it was determined members in the audience were present to speak to the social services funding issue and brief discussion ensued on whether to deviate from the schedule or allow those present to speak.

On motion of Councilmember Quintero, seconded by Acting President Ronquillo, duly carried, RESOLVED, discussion/comments to be heard on social services funding, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	None

SOCIAL SERVICES FUNDING:

Speaking in support of and to the need for social services funding were: Kathleen McIntyre, representing the Human Services Coalition, the Fresno Council on Child Abuse Prevention and Comprehensive Youth Services; Millie Marshall, Friendship Center for the Blind, 4411 N. Cedar #103; Jim Connell, Executive Director, Poverello House; and Margarita Rocha, Centro La Familia.

Councilmember Duncan clarified his motion and emphasized it would not eliminate the funds but would leverage them and improve the process by enabling agencies to tap into the various outside resources available with the assistance of two grant writers.

Continued speakers were: Dr. Jacqueline Hodge, who spoke to continuing the Human Relations Commission; Joy Grado, Marjaree Mason Center; and Roger Palomino, FCEOC, 1920 Mariposa Mall.

Councilmember Calhoun concurred with Councilmember Duncan stating he was trying to find some other ways of meeting the needs and clarified his motion for a modest decrease in funds and one grant writer. Acting President Ronquillo stated the issue of whether the City should continue to fund social service agencies had been wrestled with before and spoke in strong support of the funding stressing there was always going to be a need to help human beings and elaborated.

MOTION - Acting President Ronquillo - Allocate social service agencies at the same level as FY 2001

Discussion ensued with Ms. McIntyre responding to questions of Councilmember Boyajian relative to how funds were leveraged last year, if the Fresno Regional Foundation was a resource and if it was a good idea for them to take over the funding, making agencies accountable for the funds (**8 - 0**), fund-raising efforts, and other funding sources. Councilmember Boyajian spoke in support of the agencies and social service funding and stated although Councilmember Duncan had some valid points he felt the city had an obligation to certain people in the community.

Councilmember Quintero read into the record additional agencies who sent E-mails to Council in support of funding; noted the services were needed and being provided city-wide as shown by clients' zip codes; and presented questions relative to \$1 million allocation a couple of years ago and the amount leveraged from those funds, how often agencies report back on accountability, local-match funds, and how agencies were hit short term when employees are laid off, with Ms. Rocha and Tim Reese, MMC, responding.

President Perea stated he did not believe, at least for the next two years, funding would go away, and reiterated what was being heard was a possible philosophical shift on the City's obligations to social service agencies due to three members cycling off Council next year and advised the agencies to start thinking about long-range planning.

There was no further discussion.

INFORMATION SERVICES DEPARTMENT:

Interim ISD Director Nerland gave a brief overview of his FY 02 budget, thanked his staff, and responded to questions of President Perea relative to the work being conducted by the Convergent Group and how that work coincided with the mission of the department, the department's involvement in the group's process, the past major reorganization of the department, the \$6 million system with the Convergent Group, if it made sense to hold off on all major systems purchases, and duties of the senior buyer position .

MOTION - President Perea - Remove the Senior Buyer position until further clarification is made on duties.

MOTION/DIRECTION - Councilmember Castillo - Request for breakdown of ID charges for all departments including how they are determined and what they are based upon.

City Manager Hobbs briefly responded on ID charges stating staff would conduct an analysis to insure they were being managed as they should be. There was no further discussion.

CITY ATTORNEY:

City Attorney Montoy identified key staff in attendance, thanked her office and budget staff, gave an overview of her department's FY 02 budget and challenges, and responded to questions/comments of President Perea relative to how staff could be utilized differently, possibly restructuring the department, and the proposed new technology system.

MOTION - President Perea - Hold off on the advanced technological system until further analysis.

MOTION - President Perea - Add additional funding for City Attorney salary up to that of the city manager (to have as flexibility during the continued performance review/evaluation)

(9 - 0) Ms. Montoy responded to questions of Councilmembers Boyajian and Ronquillo relative to ways to create revenue streams, if there was sufficient manpower to conduct workshops or counsel staff (especially the police department) on litigation, requirements to attend such workshops, suggestions to address non-major requests/violations, the ugly building ordinance including enforcement and involvement, dealing with "slum lords" and neglected properties, and graffiti and auto theft responsibilities.

MOTION - Acting President Ronquillo - Add a legal secretary position.

Ms. Montoy responded to questions of Councilmembers Quintero relative to staffing needs, identifying an amount needed for equipment to be competitive in the courtroom, lengthy process/timeline to demolish homes, and if an attorney was being perceived for the police department.

City Manager Hobbs stated he would love to look at cost recovery opportunities and commented on the need for violators to pay true costs.

MOTION - Councilmember Boyajian - Examine true violation cost recoveries for needed revenues.

Ms. Montoy responded to questions of Councilmember Duncan relative to updating the Fresno Municipal Code and commendations were made to Ms. Montoy and staff.

COUNCIL/MAYOR/CITY MANAGER:

(CITY COUNCIL)

President Perea gave a brief overview of the City Council's FY 02 budget stating it reflected a 1.5% decrease.

Councilmember Calhoun questioned the process for providing mission statements stating the City Council was the only department who did not have an opportunity to provide one; and expressed his concerns relative to the Community Coordinator position and the \$227,000 budget of the Human Relations Commission.

MOTION - Councilmember Calhoun - Eliminate the Community Coordinator position.

MOTION - Councilmember Calhoun - Use a portion of the Community Coordinator's salary to provide salary

increases for Council support staff.

MOTION - Councilmember Duncan - Move one Administrative Clerk II and one Senior Secretary position to the Mayor's Office.

Councilmember Duncan commented on Community Coordinator position and questioned what that position offered relative to directly benefitting the Council.

MOTION - Councilmember Duncan - Move the \$70,000 for the Community Coordinator position to the City Manager's Office and request an outside evaluation on the need for the position.

MOTION/DIRECTION - Councilmember Duncan - City Attorney to define the term "infrastructure" and create an ordinance on specific uses for infrastructure funds (and explained).

Acting President Ronquillo commented on the need for infrastructure funds and flexibility/discretion of utilizing those funds.

MOTION - Acting President Ronquillo - Restore Council infrastructure budgets to the full \$140,000 each.

***** DUE TO EQUIPMENT/TAPE MALFUNCTION THE FOLLOWING WAS NOT RECORDED:***

MOTION - Councilmember Castillo - Determine a funding source to provide health and welfare benefits to Council support staff.

DIRECTION - Councilmember Castillo - Assign the Administrative Clerk and Senior Secretary positions to a specific Councilmember with needs.

MOTION - Councilmember Castillo - Divide the salary of the Community Coordinator position between Councilmembers' infrastructure budgets.

Councilmember Quintero left at approximately 5:45 p.m. and was absent for the remainder of the meeting.

MOTION - Councilmember Boyajian - Fund Council infrastructure budgets in the amount of \$175,000 each.

MOTION - Acting President Ronquillo - Move the Human Relations Commission to the City Manager's office.

Budget Manager Burney clarified issues relative to the prior year's roll over

RECORDING RESUMES HERE:

MAYOR - CITY MANAGER:

(10 - 0) City Manager Hobbs explained the function/job of the City Manager's Office and gave an overview of the FY 02 budget including the differences from six months ago and issues relative to various positions.

John Manning, 1162 N. Chapel Hill, Clovis, read a statement into the record from John Ferdinandi relative to the need for funding and continued support for rail consolidation; and Dr. Jacqueline Hodge who spoke in opposition to the motions to eliminate the Community Coordinator position.

Councilmember Calhoun commented on the Ombudsman position and expressed concern with layers of bureaucracy.

MOTION - Councilmember Calhoun - Eliminate the Assistant Ombudsman position.

MOTION - Councilmember Calhoun - Take the \$25,000 salary of Assistant Ombudsman, or another source, and allocate those funds for rail consolidation efforts.

Councilmember Calhoun commented on the lack of monitoring the Grundfos and Foster Farms economic incentive contracts stating maybe they should be placed under the city manager's office for accountability. Mr. Hobbs responded to Councilmember Calhoun's comments on the Ombudsman and Assistant Ombudsman positions and spoke in support of those positions citing the diverseness of the community and clarified he was making a case for the positions, not people. Acting President Ronquillo concurred stating the potential for violence in the community was out there and spoke in strong support stating the money spent on the positions was well worth it.

Mr. Bruney and Mr. Hobbs responded to questions and concerns of Councilmember Boyajian relative to FY 01 capital projects, loan repayments, beautification funds/special projects, enterprise zone, problems in Fresno, and need for experts to solve Fresno's problems.

MOTION/DIRECTION - Councilmember Castillo - Incorporate DAS Director Esquivel to oversee the City's \$300,000 investment in the Economic Development Corp.

MOTION - Councilmember Calhoun - Appropriate \$100,000 for median island improvements at Brawley and Figarden

MOTION - Councilmember Calhoun - Appropriate \$130,000 for streetlights in an area in District 2 (previous county area),

Mr. Hobbs, Assistant City Manager Souza and Mr. Bruney responded to questions and/or comments of Councilmembers Calhoun, Ronquillo and Duncan relative to the city manager's position on the Human Relations Commission and Ombudsman position, the Enterprise Zone Analyst position (**11 - 0**), travel and conference costs, enterprise zone capture and what it could be spent on, and the Human Relations Commission not enhancing relations.

MOTION - President Perea - Place contract financial obligations with Grundfos, Foster Farms and Calcot into a contingency pending a contract compliance review.

Upon call, no one else wished to be heard and President Perea closed the budget hearing.

RECOMMENDATION FOR COMPLETION OF FY 2002 BUDGET PROCESS

Discussion ensued on the budget options and clarifications, adopting the budget in a timely manner, margin of error on revenue projections over the past years, and need to wait for the Macias Group’s report, with President Perea and Mr. Bruney responding to questions and clarifying issues.

A motion and second was made to approve Option “A”.

MOTION - Acting President Ronquillo - Matching funds up to \$15,000 for Fulton Mall art restoration from enterprise zone revenues.

Discussion ensued on the need to address the utility rate issue and the motions in order to prepare the AAR and PAR and it was determined the Council Budget Committee would submit the needed information to staff by June 15th, a staff member could attend the budget committee’s meetings to assist, and staff would obtain the Mayor’s perspective on the utility rate issue **(12 - 0)**.

On motion of Councilmember Calhoun, seconded by Councilmember Castillo, duly carried, RESOLVED, **(1)** Option “A”, hereby approved to adopt the FY 02 AAR and PAR with the following modifications: (a) hold 10% of each department budget in a reserve fund (contingency) which will be appropriated by the Council as deemed necessary and as revenues allow, (b) approve the public works capital projects, and (c) appropriate \$1 million to the public works department for neighborhood infrastructure improvements (\$500,000 from FAX Measure “C” funds and \$500,000 from the HNR Department); **(2)** include in the previously mentioned resolution Council’s concerns with the estimated revenues and the actual need for proposed revenues as history has shown that the revenues projected were well above what the “actuals” received were, therefore the formula for accurately projecting these revenues will be reevaluated; **(3)** Create a “Council Fiscal Responsibility Committee”; and **(4)** Express the intent to begin a Financial Management and Responsibilities Process which shall include adoption of a Fiscal Reporting and Cooperation Ordinance, a Council and Staff review, analysis and recommendations of the Macias Audit Report, State Revenues and other anticipated revenues, and additional Council hearings to make amendments to the budget as deemed necessary due to Council/staff recommendations and findings, the Macias Report, the State Budget, the City Manager’s recommendations, etc., by the following vote:

Ayes	:	Calhoun, Castillo, Ronquillo, Perea
Noes	:	Boyajian, Duncan
Absent	:	Quintero

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UNSCHEDULED ORAL COMMUNICATIONS:

APPEARANCE BY DR. JACQUELINE HODGE REGARDING AVAILABILITY OF BUDGET DOCUMENT

Dr. Hodge requested in the future the budget document be made available for viewing and for purchase by those who want it.

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ADJOURNMENT

There being no further business to bring before the Council, the hour of 7:22 p.m. having arrived and hearing no objections, President Perea declared the meeting adjourned.

APPROVED on the 19th day of June, 2001.

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Henry Perea, Council President	ATTEST: Yolanda Salazar, Assistant City Clerk